

## REMARKS

### I. Summary of the Examiner's Action

#### A. Objections

##### 1. In the Claims

The Examiner objected to claims 1, 10 and 12 – 14 based on certain informalities.

#### B. Claim Rejections

In paragraph 4 of the Office Action, the Examiner rejected claims 1 – 15 under 35 U.S.C. § 102(e) as being anticipated by United States Patent No. 6,697,352 to Ludwig *et al.* (hereinafter “the Ludwig patent”).

### II. Applicants' Response – Objections

#### A. In the Claims

Applicants have amended claims 1, 10 and 12 – 14 to correct the informalities identified by the Examiner.

### III. Applicants' Response – Claim Rejections

#### A. Rejection of Claims 1 – 15 under 35 U.S.C. § 102(e)

Before responding to the Examiner's rejection, Applicants would like to discuss Applicants' own invention and the reference relied upon by the Examiner. Once this background information is understood, it should be apparent that the Ludwig patent has little to do with Applicants' invention.

B. Applicant's Invention

The Applicants' invention concerns a system comprising a smart card reader and a wireless communications device, and to methods implemented in the system.

The following portions of the specification describe various features in accordance with preferred embodiments of Applicants' invention:

Preferably, said short-range communications part is a Bluetooth chip comprising a Bluetooth transceiver. Alternatively, the short-range communications part comprises another type of short range RF transceiver such as a WLAN (Wireless Local Area Network) transceiver. In a preferred embodiment, the card reader part does not have its own processing unit (nor memory); instead, software controlling the operation of both the card reader part and the short-range communications part is ran in a single processing unit located on the Bluetooth chip. In a preferred embodiment, the smart card reader software is stored in a single memory located on the Bluetooth chip in the smart card reader. The Bluetooth chip is an integrated circuit.

Application, Page 3, lines 21 – 31. As is apparent from this portion of the specification, Applicants' invention is concerned, in part, with simplifying the design of a smart card reader intended to operate in a wireless environment.

Applicants also provide a description of suitable, non-limiting uses for their invention:

Said smart card is an electronic card preferably containing data that can be used in payment or identification applications. In a preferred embodiment, the smart card is a payment card/electronic purse containing money and/or payment units in an electronic form. Alternatively or additionally, the smart card may contain data used for the electronic identification of a person or device. It may be a combined payment and identification card.

Application, Page 3, line 32 – Page 4, line 5.

C. United States Patent No. 6,697,352 B1

In contrast to Applicants' invention which concerns details associated with smart card design, wherein the smart cards incorporating Applicants' invention may be used in payment and identification situations, the subject matter described in Ludwig is not related to smart cards. Rather, Ludwig concerns modifications to standard protocols (*e.g.*, TCP/IP) that are used to communicate information in packet format. In particular, the Ludwig disclosure describes method and apparatus that purportedly overcome limitations in communications networks operating in so-called "reliability" modes:

Transmission reliability is especially a problem in connections that comprise radio links. In the example of FIG. 6, the radio link protocol RLP is run. All known implementations of RLP are fixedly set to run in the numbered mode. In this way, the reliable transmission of data over a radio link, whose transmission quality can strongly fluctuate, is ensured. It is known to implement such systems as shown in FIG. 6 in such a way that the mobile station MS can request during connection set-up that no RLP be run (also referred to as a transparent circuit-switched GSM data service in the context of the example of FIG. 6). This reduces the transmission delay, but at the price of reduced transmission reliability.

This problem is not restricted to the RLP or to radio links, but basically occurs in any protocol that provides a reliability mode such as the above mentioned numbered mode.

Ludwig, Column 4, lines 38 – 50.

Continuing, Ludwig proposes a protocol modification which is

made sensitive to the type of data being sent, so that the setting of parameters relevant for the transmission can be adjusted automatically at the layer setting the parameters being adjusted in accordance with the contents of the packets to be sent. In other words, the present invention can take into account that the data in packets being received from a higher layer in order to be encapsulated or segmented and sent further (either directly into the link or on to lower layer), may be classified into different categories with respect to the adjustable parameters, where the parameters

can automatically be adjusted for the individual packet in accordance with the category into which is classified.

Ludwig, Column 5, lines 40 – 51.

According to Ludwig,

In contrast to what is known, namely the possibility of having a higher layer set a specific parameter (e.g. reliability) at a lower layer when setting up the connection, the present invention makes the implementation of a given protocol at a given layer intelligent, such that it can flexibly and according its own determinations continuously set the parameters depending on what type of packets are to be sent.

Ludwig, Column 6, lines 1 – 8.

D. Rejection of Claims 1 – 15 under 35 U.S.C. § 102(e)

With respect to claims 1 – 15, Applicants respectfully direct the Examiner's attention to the formal requirements of an anticipation rejection, *i.e.*, that each and every claim element must be disclosed in the cited reference. Although Applicants appreciate that claim terminology need not be reproduced exactly in the relied-upon reference, the reference nonetheless should disclose each and every claim element either *in haec verba*, synonymously, or inherently. *See* MPEP § 2131. Applicants respectfully submit that the Ludwig patent does not disclose each and every element of Applicants' independent claims.

In fact, Applicants have no clear understanding how the Examiner has applied the subject matter disclosed in the Ludwig patent to their claims since the essence of Examiner's rejection comprises a single paragraph (4/29/04 Office Action, Page 3, lines 12 – 32) which makes no effort to apply the teaching of the Ludwig patent on an element-by-element basis to the subject matter of Applicants' independent claims. Applicants

respectfully submit that the Examiner has in no way set forth clearly how the Ludwig reference anticipates the subject matter of, *e.g.*, independent claims 1, 10, 12 or 14. At the minimum, if the Examiner persists in his rejection of these claims in view of the Ludwig patent, Applicants respectfully request that Examiner do so in a non-final Office Action which clearly establishes the elements of an anticipation rejection.

Applicants respectfully submit that it is unlikely that Examiner will succeed in maintaining the rejection of Applicants' claims based on the Ludwig reference in view of the foregoing description of the subject matter of the Ludwig patent and Applicants' invention. Upon careful consideration, it is apparent that although they may appear to be, at most, superficially related based on the fact that they both use packet switching terminology to describe aspects of their subject matter, it is only at the most cursory level that any overlap may be perceived. In one aspect, Applicants' invention concerns the construction and operation of a smart card, smart card reader and associated wireless transceiver implementation. The Ludwig patent simply is unconcerned with these details; in fact, it nowhere even mentions the term "smart card".

Instead, the Ludwig patent is concerned with modifying current packet switching protocols to overcome problems encountered in, *e.g.*, so-called "reliability modes". Neither the Applicants' description of their invention contained in the specification nor, and more importantly, Applicants' claims, show any concern with improved packet-switching methods in so-called "reliability" modes.

Turning to Applicants' claims, Applicants have reproduced claim 10 (as amended) here:

10. A smart card reader comprising:  
a card reader part for receiving a smart card detachably connectable to the card reader part and for communicating information between the smart card reader and the smart card, and  
a short-range communications part coupled to said card reader part for communicating information using a RF wireless method between the smart card reader and a wireless communications terminal external to the smart card reader, said short-range communications part comprising a processing unit for controlling the short-range communications part, wherein  
said processing unit comprised in the short-range communications part is arranged to control, in addition to the operation of the short-range communications part, also the operation of the card reader part.

Applicants have underlined the portions of claim 10 that are not disclosed in the Ludwig patent. Applicants respectfully submit that similar claim elements in the remaining independent claims are likewise not disclosed in the Ludwig patent.

Accordingly, Applicants respectfully submit that there is no basis in the Ludwig patent on which to reject Applicants' invention as claimed. Applicants therefore respectfully request that the Examiner withdraw his rejection of claims 1 – 15.



IV. Conclusion

The Applicants submit that in light of the foregoing amendments and remarks the application is now in condition for allowance. Applicants therefore respectfully request that the outstanding rejections be withdrawn and that the case be passed to issuance.

Respectfully submitted,

July 2, 2004  
Date

David M. O'Neill (35,304)  
David M. O'Neill (35,304)

Customer No.: 29683

HARRINGTON & SMITH, LLP  
4 Research Drive  
Shelton, CT 06484-6212  
Telephone: (203) 925-9400  
Facsimile: (203) 944-0245  
Email: DOneill@hspatent.com

---

**CERTIFICATE OF MAILING**

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner for Patents, P.O. 1450, Alexandria, VA 22313-1450 on the date indicated.

7/2/04  
Date

Ann Okrentowich  
Name of Person Making Deposit